Pecos District

Documentation of Land Use Plan Compliance And NEPA Adequacy (DNA) DNA-510-2007-49B

Roswell Field Office:

Applicant: McKay Oil Corporation

Lease No.: NM-36192

Action Type: APD: Lookout "C" Federal #3H - XXX' FNL & XXX' FWL, Unit Letter X **Action Type: APD:** Lookout "D" Federal #3H - XXX' FNL & XXX' FWL, Unit Letter X

Location of Proposed Action: Section 15, T. 6 S., R. 22 E., Chaves County, New Mexico, NMPM. **Description of Proposed Actions:** The proposed APDs will be drilled from an existing well pad that was previously approved for the **Four Mile Draw "B" Federal #8 -** 510' FNL & 660' FWL, Unit Letter D, in Section 15, T. 6 S., R. 22 E., NMPM, and no significant changes would occur to the approved plan of development for this well pad and access road. The existing access road will provide the access and the existing well pad will provide the necessary work area that will be used to horizontal drill both wells.

A review of records shows that Road ROW NM 114097 issued to McKay provides McKay access to the Four Mile Draw "B" Federal # 8 and the Lookout C and D Fed No. 3H wells. Records were checked from the point that the road leaves the dedicated road (Stargrass county road) to the point where the road enters the well location in T. 6 S., R. 22 E., Section 15, NW¹/₄NW¹/₄. Therefore McKay will not require a new ROW for accessing the pending wells.

A. Conformance with the Land Use Plan (LUP) and Consistency with Related Subordinate Implementation Plans:

- 1. Roswell Approved Resource Management Plan and Record of Decision, October 1997.
- 2. The proposed action does not conflict with any known State or local planning, ordinance or zoning.
- B. Identify the applicable NEPA document(s) and other related documents that cover the proposed action.
 - 1. RFO EA #: NM-510-05-40 Date Approved: 6/10/05

C. NEPA Adequacy Criteria:

- 1. Is the current proposed action substantially the same action (or is a part of that action) as previously analyzed? Yes.
- 2. Is the range of alternatives analyzed in the existing NEPA document(s) appropriate with respect to the current proposed action, given current environmental concerns, interests, resource values and circumstances? Yes.
- 3. Is the existing analysis adequate and are the conclusions adequate in light of any new information or circumstances? Can you reasonably conclude that all new information and all new circumstances are insignificant with regard to analysis on the proposed action? Yes.
- 4. Do the methodology and analytical approach used in the existing NEPA document(s) continue to be

appropriate for the current proposed action? Yes.

- 5. Are the direct and indirect impacts of the current proposed action substantially unchanged for those identified in the existing NEPA document(s)? Does the existing NEPA document sufficiently analyze site-specific impacts related to the current proposed action? Yes.
 - 6. Can you conclude without additional analysis or information that the cumulative impacts that would result from the implementation of the current proposed action are substantially unchanged from those analyzed in the existing NEPA document(s)? Yes.
 - 7. Are the public involvement and interagency review associated with existing NEPA document(s) adequate for the current proposed action? Yes.
- D. Interdisciplinary Analysis: Identify those team members conducting or participating in the preparation of this worksheet. See attached DNA Checklist.

E. Mitigation Measure:

The provisions for the approval of the DNA include the Roswell Field Office requirements as defined in the following exhibits; **Exhibit A** - Location Map, **Exhibit B** - Well Drilling Requirements, **Exhibit C** - Conditions of Approval, **Exhibit D** - Permanent Resource Road Requirements, **Exhibit E** - Surface Restoration/Reclamation Requirements, of the approved APD.

Visual Resource Management:

The flat color Olive Drab from the supplemental environmental colors also closely approximates the brownish color of the setting. All facilities, including the meter building, would be painted Flat Olive Drab color.

Conclusion:

Based on the review documented above, I conclude that this proposal conforms to the applicable land use plan and that the existing NEPA documentation fully covers the proposed action. This constitutes BLM's compliance with the requirement of NEPA.

/s/Larry D. Bray
Larry D. Bray, Assistant Field Manager Lands and Minerals
2/12/07
Date

The Lookout "C" Federal #3H & Lookout "D" Federal #3H will be drilled from the Four Mile Draw "B" Federal #8 well pad.

3-11-05 ENVIRONMENTAL ASSESSMENT CHECKLIST

2005

EA NUMBER: NM-510-05-40 SERIAL NO: NM-36193 PREPARER: RICHARD G. HILL - EPS			ACTION TYPE: Application For Permit To Drill PROJECT NAMES: Four Mile Draw "B" Federal #8 APPLICANT: McKay Oil Corporation		
ENVIRONMENTAL	NOT	NOT	**MAY BE		
RESOURCES/ELEMENTS	PRESENT	AFFECTED	AFFECTED		DATE
Vegetation			1	Rangeland Management Specialist /s/ Joseph M. Navarro	04/18/05
Invasive & Noxious Weeds*			1/	Rangeland Management Specialist /s/ Joseph M. Navarro	04/18/05
Air Quality*			1	Hydrologist	
Wetlands/Riparian Zones*	1		,	/s/ Michael McGee	5/31/05
Floodplains*	V				
Soils/Watershed			1		
Lands/Realty/ROW		X		Realty Specialist	
Prime/Unique Farmlands*	X			/s/ Judy Yslas	3/15/05
Water Quality Drinking /Ground*		X	X	Geologist /s/ John S. Simitz	5/9/05
Mineral Materials		√		Geologist	
Mining Claims	√			/s/ Jerry Dutchoverxxx	03/25/05
Threatened or Endangered Species*	X			Wildlife Biologist	
Areas of Critical Environmental Concern*	X			/s/ D Baggao	5/10/05
Wildlife Habitat			X		
Native American Religious Concerns*		X		Archaeologist Pat Flanary	
Cultural Resources*		X		05-R-047-A	5/17/05
Wild/Scenic Rivers*	X			Outdoor Recreation Planner	
Wilderness*	X				
Cave/Karst Resources				Bill Murry	5/23/05
Outdoor Recreation			X		
Visual Resources			X		
Minority/Low- Income		Х		Environmental Protection Specialist /s/ Richard G. Hill	3/16/05
Populations/Comm.*					
Access/Transportation		Х			
Wastes, Hazardous/Solid		X		Link Lacewell - Haz-mat Coordinator	CFO-Zone

^{• &}quot;Critical Element": Must be addressed in all NEPA documents. ** "Affected Element": Must be addressed in the attached EA.

ENVIRONMENTAL ASSESSMENT

EA# NM-510-05-40

BLM Serial #: NM-36193

WELL NAME & NO.: Four Mile Draw "B" Federal #8

510' FNL & 660' FWL, Unit Letter D

Section 15, T. 6 S., R. 22 E., NMPM,

Chaves County, New Mexico

OPERATOR: McKay Oil Corporation

ACTION: Applications for Permit to Drill

The APD is also being utilized as an application for an on-lease gas buried pipeline construction.

SURFACE/MINERAL ESTATE: Federal Minerals/Surface

I. Introduction

A. Need for the Proposed Action:

McKay Oil Corporation proposes to drill and complete a natural gas well at the location described above. The proposed action is needed to develop the mineral lease.

APD Proposed Action (On-lease Buried Pipeline):

The APD process was used to the extent possible for a proposed on-lease action. McKay Oil Corporation is utilizing the APD process in combination with an on-lease action to construct a buried pipeline. McKay Oil Corporation proposes to construct, operate, and maintain, a buried 2½ inch natural gas steel pipeline. The pipeline is approximately 3003.7 feet (0.57 mile) in length and would follow the west side of the new access road route (See Exhibit A). The pipeline would be constructed 25 feet from the centerline of the access road. Related appurtenance would consist of meter station, gas separator, valves and cathodic protection.

The proposed action would consist of connecting the Four Mile Draw "B" Federal #8 gas well to an existing pipeline. The tie-in point of the pipeline will be in the SW1/4NW1/4SW1/4 of Section 10, T. 6 S., R. 22 E..

B. Conformance with Land Use Plan:

Oil and gas lease development is in conformance with the Roswell Approved Resource Management Plan and Record of Decision, October 1997.

The APD was utilized as an application for an on-lease buried pipeline proposed action and the

proposal is also in conformance with RFO-RMP.

C. Relationship to Statutes, Regulations, or other Plans:

The proposed actions do not conflict with any known State or local planning, ordinance or zoning.

II. Proposed Action and Alternatives

A. Background of the proposed action:

The access road was rerouted because the proposed new reroute road could be utilized to access another proposed well (Lookout "B" Federal #3) and would minimize multiple road construction. The new road route would access two wells, would be shorter in length, and the rerouted road is the best alternative than a longer road with more road construction. The new road route would also be utilized for an on–lease pipeline corridor.

B. Proposed Action:

McKay Oil Corporation submitted an Application for Permit to Drill for the Four Mile Draw "B" Federal #8 gas well on 5/6/05. A Notice of Staking was submitted on 3-11-05.

The proposed action would include:

The proposed road is approximately 773 feet in length, beginning from the Stargrass County road to the proposed well pad. The entire 773 feet of new access road construction would cross public land. The proposed access road would be constructed and maintained in accordance with the New Mexico Road Policy. No Right-of-Way is required.

The construction of approximately 773 feet of new access road would begin from an existing road and would access the northwest corner of the proposed well pad. All other existing access roads would be maintained in as good or better condition than those existing at commencement of operations.

The construction of the proposed well pad would be 250 feet long by 193 feet wide. The construction of the reserve pit would be about 50 feet by 100 feet and dug 4 feet below ground level. The reserve pit would be located on the **south** side of the well pad.

4. Standard oilfield construction equipment consisting of; track-type tractors, motor graders, dump trucks, and water trucks would be used to construct the access roads and well pads. A rotary drilling rig would be used to drill the wells to a depth of 4,345 feet. Associated production facilities (e.g., pipeline, separator, storage tanks, etc.) would be installed during the production phase of this well. Topsoil would be stockpiled for future use over the disturbed area on the well pad.

The APD process was utilized by the operator for the on-lease buried pipeline construction and for the related appurtenance. The pipeline construction would include; digging a trench 36 inches deep, constructing a trench within a maximum disturbance limit of 20 feet, using the north edge of the new access road as a pipeline corridor or route, and burying the pipeline 25 feet from the centerline of the new access road. The pipeline would also be buried 48 inches deep under all road crossings. A trencher is a kind of ditch digging machine that would be used to construct the pipeline trench. The construction of the buried pipeline would disturb approximately 1.4 acres.

B. Alternatives:

1. Relocate the Proposed Action:

The well location is determined on the basis of subsurface geologic formation. No other alternative location would have significantly fewer impacts than, or have a clear advantage over, the projected location. Therefore, the alternative for changing the location involved in this action is not analyzed further in this EA.

2. Change the Alignment--Reroute the Project (Buried Pipeline)

The proposed buried pipeline would parallel the new/existing access road route. The pipeline would be confined within the parameters of the archaeological survey that was done on the new road until it reaches the tie-in point. Placing the pipeline along side the access road would reduce soil disturbance by minimizing width requirements and maximizing multiple occupancy as directed in the RFO-RMP. The on-lease pipeline route is consistent with the policy of utilizing an approved corridor(s) that would be acceptable for pipeline construction, such as; new and/or existing road routes, two-track roads, and other previously disturbed pipeline routes, etc.. There are no alternate routes which would have substantially less impacts than or any clear advantages over the proposed action. Therefore the alternative of changing the pipeline route is not analyzed any further.

2. No Action:

Under this alternative, the application would be rejected. None of the environmental impacts associated with the proposed actions or alternate location would occur. Additionally, economic benefits of the proposed action would not be realized, and the existing environment, including the developments in place, would remain unchanged.

A-1. No Action (On-Lease Buried Pipeline):

Under this alternative the proposal to construct an on-lease pipeline, submitted in combination with the APD process, would be rejected.

III. <u>Description of the Affected Environment</u>

A. General Setting:

The proposed access road and well pad are located on federal minerals and surface about 47 miles NE of Roswell, N.M. Historical and present use of the land has been limited to livestock grazing and energy development.

B. Rights of Record:

An inspection of the Master Title Plats and other Bureau records revealed the following title information pertaining to valid existing prior rights on the subject land:

- Oil and gas leases: NM-36193 covers lease actions.
- No federally administered rights-of-way would be affected in the project area.
- No mining claims are recorded within Sec. 15, T. 6 S., R. 22 E., NMPM.

C. Affected Resources:

The following critical resources have been evaluated and are either not present or are not affected by the proposed action or the alternatives in this EA:

Areas of Critical Environmental Concern (ACEC's)
Cultural Resources (05-R-047-A)
Farmlands, Prime/Unique
Floodplains
Native American Religious Concerns
Wastes, Hazardous/Solid
Wetlands and Riparian Zones
Wild & Scenic Rivers
Wilderness

1. Air Quality:

The area of the proposed action is considered Class II air quality areas. Class II areas allow moderate amounts air quality degradation. The primary sources of air pollution are dust from blowing wind on disturbed or exposed soil and exhaust emissions from motorized equipment.

2. Soil:

The Soil Survey of Chaves County, New Mexico, Northern Part (USDA Soil Conservation Service 1980) was used to describe and analyze impacts to soil from the proposed action. The soil map units represented in the project area are:

Ector very cobbly loam, 3 to 15 percent slopes (EaC) Permeability of the unit soil is moderate. Runoff of the unit soil is rapid and the hazard of water erosion is high and the hazard of soil blowing is slight.

<u>Hogadero-Pena association, moderately rolling, 1 to 15 percent slopes (HGC)</u> Permeability of the Hogadero soil is slow. Runoff is slow to medium and the hazard of water erosion is slight to moderate and the hazard of soil blowing is moderate. Permeability of the Pena Soil is moderate. Runoff is medium and the hazard of water erosion is moderate and soil blowing is moderate.

The affect of a nonsurfaced road on the soil;

The soil structure of the topsoil on the road route would not be affected by the construction of a lower standard nonsurfaced road. The soil occurring in such a limited geographic area has sufficient properties to maintain vehicular traffic within 14 feet width or less road travelway. The construction of a travelway 14 feet wide or less would be sufficient to maintain a low volume of vehicular traffic and would not impede vehicle traffic during the conduct of oil and/or gas drilling and production activities. The surface and subsurface soil is sufficient to maintain a lower standard nonsurfaced road that could affect heavy loads and a high volume of vehicular traffic for a short duration of time during the drilling operations. Minimal earthwork would be required on a lower standard road and the nonsurfaced road would not require surfacing material at this time. The soil disturbance would be minimized with 14 feet width or less road travelway.

The Best Management Practices (BMP) was applied to the construction of the nonsurfaced road for this

well, in that upon the reclamation of a nonsurfaced road the vegetation recovery would substantiate the construction of a lower standard road. The weathering affects on the nonsurfaced road would consist of wind and water erosion, which cause deep tire ruts and drive arounds. The soil compaction from vehicular traffic on the nonsurfaced road would minimize the erosion that would occur. The affected environment would be minimal if for the life of the well no major earthwork is involved in maintaining the integrity of a nonsurfaced road.

3. <u>Vegetation:</u> GRASSLAND COMMUNITY

This lease is within the grassland vegetative community as identified in the Roswell Resource Management Plan/Environmental Impact Statement (RMP/EIS). Appendix 11 of the Draft RMP/EIS describes the Desired Plant Community (DPC) concept and identifies the components of each community. The distinguishing feature for the grassland community is that grass species typically comprises 75% or more of the potential plant community. Short-grass, mid-grass, and tall-grass species may be found within this community such as blue grama (*Bouteloua gracilis*), black grama (*Bouteloua eriopoda*), threeawn (*Aristida* spp.), tobosa (*Pleuraphis mutica*), burrograss (*Scleropogon brevifolius*), muhly's (*Muhlenbergia* spp.) and dropseed (*Sporobolus* spp.). The community also includes shrub, half-shrub, and forb species such as snakeweed (*Gutierrezia sarothrae*), dogweed (*Dyssodia* spp.), sumac (*Rhus* spp.), bladdeerpod (*Lesquerella* spp.), croton (*Croton* spp.). nightshade (*Solanum* spp.) and trees a such as juniper (*Juniperus* spp.). The percentages of grasses, forbs, and shrubs actually found at a particular location will vary with recent weather factors and past resource uses.

The Ecological Site Description for the proposed well pad and access road is [CP-3 Gravelly (Pecos-Canadian Plains& Valleys].

4. Invasive & Noxious Weeds:

There are no known populations of invasive or noxious weed species on the proposed access road and well pad.

Infestations of noxious weeds can have a disastrous impact on biodiversity and natural ecosystems. Noxious weeds affect native plant species by out-competing native vegetation for light, water and soil nutrients. Noxious weeds cause estimated losses to producers \$2 to \$3 billion annually. These losses are attributed to: (1) Decreased quality of agricultural products due to high levels of competition from noxious weeds; (2) decreased quantity of agricultural products due to noxious weed infestations; and (3) costs to control and/or prevent the noxious weeds.

Further, noxious weeds can negatively affect livestock and dairy producers by making forage either unpalatable or toxic to livestock, thus decreasing livestock productivity and potentially increasing producers' feed and animal health care costs. Increased costs to operators are eventually borne by consumers.

Noxious weeds also affect recreational uses, and reduce realty values of both the directly influenced and adjacent properties.

Recent federal legislation has been enacted requiring state and county agencies to implement noxious weed control programs. Monies would be made available for these activities from the federal government, generated from the federal tax base. Therefore, all citizens and taxpayers of the United States are directly affected when noxious weed control prevention is not exercised.

5. Ground Water Quality:

Fresh Water Information: Fresh water sources are in the San Andres and Glorieta Formations and the Triassic Redbeds. Fresh water has been found as deep as 470' in section 2, T. 6 S., R. 22 E., approximately 625' in sec. 1, T. 6 S., R. 21 E, and approximately 650' in sec. 14, T. 7 S., R. 22 E.. Inquries to the ranchers in the area with regard to the depth of their water wells found the deepest occurrence to be approximately 725 ft. NMOCD recommends setting surface casing at 800 to 850 ft.. The deepest useable water occurs above 725 ft.

6. Wildlife:

Wildlife species utilizing these areas for habitat include mule deer, pronghorn antelope, coyote, fox, rabbits, kangaroo rats, pocket gophers, herptile species, as well as a variety of songbirds, dove, quail, and raptors.

No known special status species (plant/animal) or critical habitat is present within the confines of the access road and well pad.

There are no known threatened or endangered species of plant or animals within the project area. The list of federal threatened, endangered and candidate species reviewed for this EA can be found in Appendix 11 of the Roswell Approved RMP (AP11-2).

7. Livestock Grazing/Range:

A. The access road and well pad are located on a BLM grazing allotment #64011 Four Mile, permitted to Deep Well Ranch Company, c/o Tom Dinwiddie, P. O. Box 374, Roswell, N.M. 88202. Cattle & Horses are the class of livestock authorized totaling 303 AU's for 1,944 AUM's on 6,534 public land acres.

8. <u>Visual Resources:</u>

The proposed actions are located within a designated VRM Class IV area. The setting presents a winter gray setting and in warm months, with foliage, a gray to gray-green color pattern.

9. Recreation:

The areas around the proposed project are primarily used by recreational visitors engaged in, hunting, caving, off-highway vehicle use, and other recreational activities. Non-recreation visitors include oil and gas industrial workers and ranchers.

10. Cave/Karst:

While the proposed action is located in the *High Potential Karst Area*, no surface cave/karst features were observed in the immediate vicinity of the proposed actions.

11. Minority or Low-income Populations or Communities:

The proposed action would not affect the minority or low-income populations or communities.

IV. ENVIRONMENTAL IMPACTS

A. Proposed Action Impacts:

The surface disturbance involved in the construction of the access road, well pad, and reserve pit is about 1.6 acres and the buried pipeline would disturb an additional 1.4 acres. The surface disturbance for all actions would total about 3.0 acres of federal minerals/surface.

1. Air Quality:

Air quality would temporary be impacted with pollution from exhaust emissions, chemical odors, and dust that would be caused by the motorized equipment used to construct the access road, well pad, pipeline construction, and by the drilling rig that will be used to drill the well. Dust dissemination would discontinue upon completion of the construction phase of the access road, well pad and buried pipeline construction. Air pollution from the motorized equipment would discontinue at the completion of the drilling phase of the operation. The winds that frequent the southeastern part of New Mexico generally disperse the odors and emissions. The impacts to air quality would be greatly reduced as the construction and drilling phases are completed, as well as, when the buried pipeline construction is completed.

2. Soil:

Impacts on Nonsurfaced roads:

The impact from the construction of a non-surfaced access road and well pad would physically disturb 1.6 acres. A nonsurfaced road would have exposed topsoils and substratum soil that would be compacted by overweight vehicular traffic which would minimize some impacts from weathering. The exposed soil on the nonsurfaced road would be susceptible to wind blowing and water erosion and would be impacted by the weathering progression that would occur in the dry, windy, monsoon and other seasonal adversities within a long period in time or for the life of the well. Regular road maintenance on a nonsurfaced road would alleviate potential impacts to the access road from wind and water erosion damage. The impact from maintenance on a nonsurfaced road would occur when regular grading of a nonsurfaced road to smooth out any irregularities on the nonsurfaced road would eventually create a trench road with 14 feet or less travelway graded below ground level. The impacts to the vegetation would be minimal when upon reclamation of the nonsurfaced roads the soil is not mixed with other soil that are not compatible with vegetation recovery which is the ultimate purpose for nonsurfaced road.

3. Vegetation:

The construction of the access road, well pad and pipeline would remove about 3.0 acres of native vegetation. If the well is a producer, reclamation would not commence until the well is a depleted producer and plugged and abandoned. Vegetation recovery on the access road and well pad would depend on the life of the well. Native vegetation would encroach on the well pad over time with only high traffic areas remaining unvegetated. If drilled as a dry hole and plugged, reclamation of the access road and well pad would immediately follow. Vegetation impacts would be short-term when the access road and well pad re-vegetate within a few years, and the reclamation of the access road, well pad, and pipeline are successful.

4. Invasive & Noxious Weeds:

The construction of an access road, well pad, and pipeline construction may unintentionally contribute to the establishment and spread of noxious weeds. Noxious weed seed could be carried to and from the project areas by construction equipment, the drilling rig and transport vehicles. The main mechanism for

seed dispersion on the roads and well pads is by equipment and vehicles that were previously used and or driven across or through noxious weed infested areas. The potential for the dissemination of invasive and noxious weed seed may be elevated by the use of construction equipment typically contracted out to companies that may be from other geographic areas in the region. Washing and decontaminating the equipment prior to transporting onto and exiting the construction areas would minimize this impact.

Impacts by noxious weeds will be minimized due to requirements for the company to eradicate the weeds upon discovery. Multiple applications may be required to effectively control the identified populations.

5. Ground Water Quality:

The use of a plastic-lined reserve pit would reduce or eliminate seepage of drilling fluid into the soil and eventually reaching groundwater. Spills or produced fluids (e.g., saltwater, oil, and/or condensate in the event of a breech, overflow, or spill from storage tanks) could result in contamination of the soil onsite, or offsite, and may potentially impact groundwater resources in the long term. The casing and cementing requirements imposed on each proposed well would reduce or eliminate the potential for groundwater contamination from drilling muds and other surface sources.

6. Wildlife:

Some small wildlife species may be killed and their dens or nests destroyed during construction of the access road, well pad, and pipeline construction. The construction of the access road, well pad, and pipeline could cause fragmentation of wildlife habitat. The short-term negative impact to wildlife would occur during the construction phase of the operations due to noise and habitat destruction. In general, most wildlife species would become habituated to the new facilities. For other wildlife species with a low tolerance to activities, the operations on the well pad would continue to displace wildlife from the areas due to ongoing disturbances such as vehicle traffic and equipment maintenance. The conditions of approval would alleviate most losses of wildlife species, such as; fencing the reserve pits, netting storage tanks, installation or other modifications of cones on separator stacks, and timing stipulations. Upon abandonment of the well, the areas would revegetate and wildlife would return to previous levels. Upon reclamation of the buried pipeline corridor the areas would revegetate and wildlife would return to previous levels.

7. Range:

There would be some minor disruption of livestock grazing in the pasture, specifically on the well pad, during the construction and drilling phase of the well and during the buried pipeline construction. Vehicle traffic would increase in these areas, which may lead to conflicts with livestock.

8. Visual Resources:

The objective of Class IV is to: "Provide for management activities which require major modification of the existing landscape character...Every attempt, however, should be made to reduce or eliminate activity impacts through careful location, minimal disturbance, and repeating the basic landscape elements."

Through color manipulation, by painting well facilities to blend with the rolling to flat vegetative and/or landform setting with a gray-green to brownish color, the view is expected to favorably blend with the form, line, color and texture of the existing landscape. The flat color Olive Drab]) from the supplemental environmental colors also closely approximates the brownish color of the setting. All facilities, including

the meter building, would be painted this color.

Cumulative adverse visual impacts can be avoided by gradually moving into a more appropriate vegetative/landform setting color scheme.

9. Recreation:

Oil and gas activities would have little or no affect on recreational opportunities within this area. Large blocks of pubic land would allow recreationists to use pubic land and avoid the oil and gas facilities within the area.

10. Cave/Karst:

While the proposed action is located in the *High Potential Karst Area* no surface cave/karst features were observed in the immediate vicinity of the proposed actions.

11. Minority or Low-income Populations or Communities:

The proposed actions would not impact the minority or low-income populations or communities.

B. Alternatives:

1. Relocation Alternative:

The alternative of changing the location involved in this action is not analyzed further because no other alternative location would have significantly fewer impacts than, or has a clear advantage over, the proposed location.

2. No Action Alternative:

The no action alternative would constitute denial of the application. This alternative would have no consequential results from the identified environmental impacts. There would, however, be an adverse economic impact to the applicant through the denial of the lessee's right to develop the mineral reserves or through increased costs of accessing those mineral reserves through other means. There have been no significant or unmitigatable impacts identified as a result of this analysis, which would warrant selection of the no action alternative.

C. Mitigation:

The Roswell Field Office; Well Location Map (Exhibit A), Well Drilling Requirements (Exhibit B), Conditions of Approval (Exhibit C), Permanent Resource Road Requirements (Exhibit D), Surface Restoration/Reclamation Requirements (Exhibit E), and the special requirements derived from this EA, would be applied to the well to minimize the surface disturbance and conserve the surrounding landscape.

Visual Resource Management:

The flat color Olive Drab]) from the supplemental environmental colors also closely approximates the brownish color of the setting. All facilities, including the meter building, would be painted this color.

D. Cumulative Impacts:

While it is likely that there will be no significant cumulative impact from the proposed actions, continued oil and gas development, and other surface-disturbing activities in these areas, may potentially have negative cumulative impacts on vegetation, soil, water, livestock, wildlife and visual resources.

V. Consultation and Coordination

An onsite inspection was conducted on the access road and well pad on 4/22/05. In attendance was Mr. James Schulz Independent Petroleum Landsman Agent for McKay Oil Corporation, and Richard Hill, Environmental Protection Specialist, BLM Roswell Field Office. Coordination and consultation has occurred with the applicant's agent. The comments and suggestions expressed during the onsite consultation have been incorporated into this EA.

Coordination and consultation has occurred with Roswell Field Office's Staff. The comments and suggestions expressed during the analytical review of the proposed actions have been incorporated into this Environmental Assessment. Roswell Field Office's Staff at on-site; Joseph Navarro & David Arthun.

FINDING OF NO SIGNIFICANT IMPACT AND DECISION RECORD EA-NM-510-05-40

<u>DECISION:</u> It is my decision to authorize the Application For Permit To Drill Or Deepen (APD), for the **Four Mile Draw "B" Federal #8** gas well, submitted by McKay Oil Corporation. The provisions for the approval of the APD will include the attachment of the Roswell Field Office requirements as defined in the following exhibits; **Exhibit A** - Location Map, **Exhibit B** - Well Drilling Requirements, **Exhibit C** - Conditions of Approval, **Exhibit D** - Permanent Resource Road Requirements, **Exhibit E** - Surface Restoration/Reclamation Requirements, Exhibit F - BURIED PIPELINE STIPULATIONS FOR THE ROSWELL FIELD OFFICE, BLM, and any special mitigating measures developed in the environmental assessment for the well.

In the event the well proves to be a dry hole, or when the well is abandoned, I recommend that reclamation requirements be attached to the well abandonment, including additional requirements imperative for the complete reclamation of the disturbed areas. These actions are subject to 43 CFR 3160 regulations for Onshore Oil and Gas operations on federal lease NM-36192.

Authority for these actions is the Mineral Leasing Act of February 25, 1920, as amended.

These actions will affect public land described as:

New Mexico Principal Meridian

Four Mile Draw "B" Federal #8; NW 1 4NW 1 4, 510' FNL & 660' FWL, Section 15, BURIED PIPELINE – SEC.10: SW 1 4NW 1 4SW 1 4, SEC.15: W 1 2SW 1 4SW, NW 1 4NW 1 4NW 1 4; T. 6 S., R. 22 E.

FINDING OF NO SIGNIFICANT IMPACT: Based on the analysis of potential environmental impacts contained in the attached environmental assessment, I have determined that impacts resulting from the proposed actions are not expected to be significant and an environmental impact statement is not required.

RATIONALE FOR DECISION: The proposed actions would not result in any undue or unnecessary environmental degradation. Portions of the subject lands and adjacent land have been used for similar purposes and all present and potential uses and users have been considered.

COMPLIANCE AND MONITORING: The construction phase of the proposed actions and subsequent operational phases will be monitored as per regulations.

Larry D. Bray, Assistant Field Manager, Lands and Minerals Date